Santova Logistics - Sticking it to the Man

Perspectives: September 3rd, 2021

My first meeting in June 2003 with **Glen Gerber** of **Spectrum Shipping** (renamed **Santova Logistics** in 2007) was memorable. He joined the business on February 1st of that year, and at the time it was in a complete shambles. We met in a mid-downtown Durban high-rise office location that, to be polite, was not exactly flashy. If I recall correctly there was no external windows. Glen's no-nonsense, straightforward manner, attention to detail, the passion and clarity of his long-term vision for the business, and his stated commitment thereto impressed me.

At a share price of 60 cents per share and 85mn shares in issue, Spectrum's market cap in June 2003 was all of R51mn. To most people outside the investment world this sounds like and is a lot of money, but in the stock markets a R51mn market cap is *miniscule*. I suspect Glen must have thought I was nuts to be meeting with him, but polite enough not to say so.

Without further ado, let me put up the scoreboard for your consideration.

Santova Logistics		
	FY 2003	FY 2021
Annual Sales (in Rands)	28 731 000	442 194 000
Operating Profits (in Rands)	8 312 000	97 326 000
Profits After Tax (in Rands)	1 476 000	69 680 000
Shares in Issue	85 000 000	140 873 000
Earnings Per Share (in cps)	2,0	47,1
Dividends Per Share (in cps)	zero	zero
Book Value Per Share (in cps)	34,2	439,0
Share Price (in cps)	60	418
Cumulative Dividends Paid 2003 - 2021 (in cps)		36,2
Number of Employees	107	259
Number of Countries	1	10
Number of Offices	4	21
Profits generated outside SA	0%	91%
Market Cap (in Rands)	51 000 000	588 849 140
Market Cap (in US Dollars)	6 800 000	41 235 934
*Source: Refinitiv, Santova Annual Reports, and Perspective Analyst calculations		

Today, 18 years after that first meeting with Glen, we are both a bit older, the business has a different name, and I believe they can now see at least some blue sky from their office windows. Santova Logistics evolved and grew exponentially, but what has not changed is Glen's no-nonsense, straightforward manner, attention to detail, the passion and clarity of his long-term vision for the business, and his stated commitment thereto. It should be a case study for any university.

We sincerely hope the market continues ignoring this gem of a not-so-little-any-more-but-still-a-small-market-cap business. It gave the business an incredible opportunity to buy back and cancel a large chunk of its own shares in the past two years, and it also gave us an incredible long-term investment opportunity on behalf of our fund investors.

Our work continues...

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